Additional Wisconsin
Statutory Provisions Cited

189.13 Registration of securities. (1) Securities shall be registered under this chapter upon separate application for each class of securities and in the manner provided in this section.

(2) The application for registration shall be signed by the issuer or a licensed dealer, shall be verified and shall be filed with the department. It shall contain such information and representations as the department may require as necessary or appropriate in the public interest or for the protection of investors.

(3) The department shall examine such application and the other papers and documents filed therewith, and may make or have made a detailed inspection, appraisal, audit, or other investigation of the property and affairs of the issuer. The department, upon payment of the expense reasonably attributable to its investigation, shall by order register the securities covered by such application if the following shall be made to appear to the department:

(a) The proposed plan of business of the issuer is not unlawful, dishonest, fraudulent, or otherwise contrary to public policy.

(b) The plan of financing is not or does not tend to be unfair, inequitable or fraudulent, or against public interest or the interest of investors.

(c) The articles of incorporation or association, declaration of trust, charter, constitution, by-laws, lease, con-

tract, or any instrument or indenture under which the securities are issued is not contrary to law or unfair, inequitable or fraudulent.

(d) The class of securities for which registration is sought bears a reasonable proportion to other classes of securities and to the fair value of the property and business, due consideration being given to the nature of the business, its earnings, its credit and prospects, the possibility that the fair value of the property and business may change from time to time, the effect which the issue of such securities may have on the management and operation of the business by reason of the relative amount of financial interest which the various classes of security holders will have in the business, and to other relevant matters.

(e) The commissions, fees and expenses to be incurred in connection with such issue or the sale thereof or the gross or net profit of any party or parties in connection therewith, is not unreasonable.

(f) The advertising matter to be used in the sale of the securities is not false, unfair, inequitable, fraudulent or misleading and gives fair and reasonably adequate information with reference to the securities and the issuer.

(g) It does not appear that any relationship exists between the issuer and the trustee in any instrument under which the securities have been or are to be issued, by virtue of which the interests of the trustees might be in conflict with the interests of purchasers.

(h) The methods to be used in the sale of the securities are not such as to be misleading, unfair, inequitable or fraudulent as to the purchasers, or against public interest or the interest of investors. Unless the foregoing shall be made to appear to the department, the department shall issue its findings and order denying registration.

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(6) Certificates representing proportionate shares in a fund of securities shall be registered and sold in this state only upon compliance with such terms and conditions as the department may prescribe as necessary or appropriate in the public interest or for the protection of investors.

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189.17 Department's powers; conditions in orders and licenses; rules, investigations and hearings; injunctions. (1) The department may, in any order or license issued under this chapter, impose such terms and conditions as may be necessary or appropriate in the public interest or for the protection of investors or to assure compliance with this chapter, and in any order of registration may, among other things, fix the price at which the securities may be sold and the maximum commissions or other compensation to be paid for their sale, and require that the proceeds from their sale be impounded under such terms and conditions as it may prescribe, that securities issued for intangible assets or for other assets at a price in excess of their market value be placed in escrow under such terms and conditions as the department may prescribe, that reports of sales of

securities be filed with the department at such times and in such form as it may prescribe, and that information available to the applicant concerning the issuer and its business, property and affairs be filed with the department at such times and in such form as it may prescribe. Any person acting under an order or license containing any terms or conditions shall be deemed to have accepted and waived all objections to such terms and conditions.

(2) The department for the purpose of carrying out the provisions of this chapter may make such rules and regulations as may be necessary or appropriate in the public interest or for the protection of investors or to assure compliance with this chapter.

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